

BRUCE W. JOHNSON, MARCH 13, 2008
VOLUME 2

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ROANOKE DIVISION

WINFORD DALLAS JONES,) Civil Action No.
) 7:06-CV-00547
Plaintiff,)
)
v.)
)
C.H. ROBINSON WORLDWIDE, INC.;)
and C.H. ROBINSON COMPANY; and)
C.H. ROBINSON COMPANY, INC.;)
and C.H. ROBINSON COMPANY,)
L.P.; and C.H. ROBINSON)
INTERNATIONAL, INC.; and C.H.)
ROBINSON OPERATING COMPANY,)
L.P.; and C.H. ROBINSON)
TRANSPORTATION COMPANY, INC.,)
)
Defendants.)

VOLUME II, pages 105-214
30(b)(6) DEPOSITION OF: Bruce W. Johnson
TAKEN AT: C.H. Robinson Worldwide, Incorporated
14701 Charlson Road
Eden Prairie, Minnesota
DATE: March 13, 2008
COMMENCING AT: 9:06 a.m.

Reported by: Patrick J. Mahon
Registered Merit Reporter
Certified Realtime Reporter
Job No. 4932



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1 APPEARANCES:

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1 A. Correct.

2 Q. It's your job to know that --

3 A. Uh-huh.

4 Q. -- partly, correct?

5 A. Correct.

6 Q. Okay. Well, what are the things in your mind
7 that makes C.H. Robinson attractive to carriers?

8 A. And that's a fairly broad question.

9 Q. It is very broad. I agree, it is very, very
10 broad.

11 A. But some of the things would be financially sound
12 and secure organization that they can -- they know that
13 they'll be paid when they do business with C.H. Robinson
14 versus some other folks out there, that we have
15 different product offerings that may make doing business
16 with us easy, whether it's a cash flow product, go to
17 Quick Pay or a way to get your paperwork to us through
18 scanning and imaging products in the marketplace, our
19 website, in general, makes things fairly easy, that we
20 have a lot of freight available on a daily basis, that
21 they can work through our branch network, which is very
22 extensive throughout the country, 160 or 170 offices
23 throughout North America, and they can pick and choose
24 who they wish to deal with in that manner.

25 Q. Well, let's talk about the financial issues.

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1 That's really kind of the first thing that you began
2 talking about there. So, carriers can expect to get
3 paid when they haul a load for C.H. Robinson, correct?

4 A. Correct.

5 Q. And that's apparently not true with everybody
6 else out there? Is that your understanding?

7 A. That's true, yes.

8 Q. Okay. And you also talked about cash flow.

9 A. Correct.

10 Q. Aside from just hauling loads for you, there are
11 things that C.H. Robinson does for its carriers to allow
12 them to speed up the cash flow, correct?

13 A. Correct.

14 Q. One of those things is Quick Pay, correct?

15 A. Correct.

16 Q. And AKJ Enterprises was a Quick Pay carrier,
17 weren't they?

18 A. I don't recall.

19 Q. Well, let's just talk just briefly about Quick
20 Pay. Just tell me how that system works.

21 A. It would -- it would be a program where they can
22 get paid on average about 18 days quicker than our
23 standard payment terms by providing us their documents;
24 then we would pay them in 48 hours is kind of our
25 guarantee versus 20 days.

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1 Q. Forty-eight hours from when?

2 A. From the time we receive their completed
3 paperwork.

4 Q. And what constitutes completed paperwork?

5 A. Invoice, signed bill of lading, delivery
6 received. I mean, that would be standard. There would
7 be other things potentially, but --

8 Q. And is there a price for participating in the
9 Quick Pay program?

10 A. Yes.

11 Q. Okay. And how does that work?

12 A. One point 5 percent, I guess, discount or charge
13 off of their full invoice amount.

14 Q. Do you encourage carriers to participate in the
15 Quick Pay Program?

16 A. If they need to, yes.

17 Q. Well, what constitutes a need on the part of the
18 carrier to participate in Quick Pay?

19 A. Just that they need a speedier cash flow to keep
20 their business running.

21 Q. Is T-Chek one of the financial services that you
22 market to carriers who need speedier cash flow?

23 A. It could -- it could be, yes.

24 Q. All right. And just give me your thumbnail
25 summary of the T-Chek program. Is there a thumbnail

1 summary?

2 A. It's -- I mean, a main part of their business is
3 the fuel card. So, it's an instrument to purchase fuel
4 or whatever products they may need while they're
5 trucking, and it gives the owners of the companies a lot
6 of control, visibility, they can set limits, things like
7 that. So, it's a financial -- the whole company is
8 around financial, or a large part of the company is
9 around the fuel card and financial controls and ability
10 to move money quickly.

11 Q. Now, you say the carriers have control over how
12 much money is available through T-Chek; is that correct?

13 A. Correct.

14 Q. But it's C.H. Robinson's money that's available
15 through T-Chek, correct?

16 A. Not necessarily. T-Chek -- T-Chek has customers
17 that are carriers that may never haul C.H. Robinson
18 loads. They stand alone in their business.

19 Q. Well, for instance, AKJ Enterprises, who was a
20 part of the contract carrier program, correct?

21 A. Correct.

22 Q. If one of the drivers needed a T-Chek for fuel or
23 for a lumper or any other incidentals of a trip, the
24 money they are getting through T-Chek is coming from
25 C.H. Robinson, correct?

1 A. Right. Advance codes would be from C.H. Robinson
2 specific to our loads. They could -- if they were a
3 T-Chek customer, they could generate their own advance
4 codes outside of C.H. Robinson loads.

5 Q. So, money is advanced through T-Chek for
6 incidentals of trips; is that correct?

7 A. It can be, yes, yes.

8 Q. And for carriers whose cash flow is not as good
9 as maybe some other carriers, that is an attractive
10 alternative; correct?

11 MR. KUHNEL: Object to the form. You can
12 answer.

13 A. Yes.

14 BY MR. KIRTNER:

15 Q. All right. And in this Transport Folio document
16 I've put in front of you, which we haven't had marked
17 yet, it has eight pages, this is a document published by
18 C.H. Robinson, correct?

19 A. Correct.

20 Q. All right. Let me have you look on the third
21 page, which I didn't number, and this is -- we'll
22 concede it will be a little difficult because we got a
23 pi chart there and the coloration of the pi charts is
24 problematic. But let's just see if we can work through
25 it, okay? There's a "Profile of C.H. Robinson Carrier

1 Base in 2000." Do you see that?

2 A. Yes.

3 Q. And it would appear to me based on that pi chart
4 that it indicates that 62 percent of C.H. Robinson's
5 carrier base was made up of small carriers, that is,
6 carriers with less than 100 trailers. Is that the way
7 you interpret that pi chart?

8 A. Yes.

9 Q. And so you would agree that as of 2000, about 62
10 percent of C.H. Robinson's carriers were small carriers.
11 And when we use "small carriers" throughout the rest of
12 the deposition, we'll be referring to less than 100
13 carriers, okay? And you agree that that's what this pi
14 chart means?

15 A. Less than 100 trailers.

16 Q. Less than 100 trailers. I'm sorry.

17 A. Yes.

18 Q. Now, has that proportion changed any since 2000?

19 A. We've changed that measurement, I guess, I would
20 say. We now use tractors --

21 Q. Okay.

22 A. -- rather than trailers, which is a difference.
23 We exclude private fleets, as well, and put them into
24 these small, medium and large categories.

25 Q. All right.

1 A. So, we have changed a little bit of --

2 Q. What is a private fleet?

3 A. It's shipper-owned trucks.

4 Q. All right. Well, tell me based on the new
5 methodology you use how a similar pie chart would break
6 down now in terms of small carriers.

7 A. So, this refers to truckload only, as well, I
8 would say. The profile of carrier base does not include
9 LTL carriers, other carriers outside of truckload North
10 American carriers.

11 Q. All right. So, the information you will give me
12 will be limited to truck carriers.

13 A. Truckload, yes.

14 Q. Truckload carriers?

15 A. Full truckload carriers.

16 Q. Okay.

17 A. Yes.

18 Q. All right.

19 A. And it is -- with the change of methodology,
20 switching from trailers to tractors, these numbers have
21 changed a bit. I believe the -- for 2007, it's around
22 the 75 percent for the less than 100 tractors.

23 Q. Do you know where that number was roughly in
24 2004?

25 A. I don't recall.

1 Q. Is there a particular reason that as of today 75
2 percent of C.H. Robinson's contract carriers consist of
3 small carriers?

4 A. I'm sure there is, but I'd probably be somewhat
5 speculating as to why.

6 Q. Well, subject to Mr. Kuhnel's objection, which
7 he's about to make, I'm going to ask you to go ahead and
8 answer that question.

9 MR. KUHNEL: Well, I'll object to the form
10 of the question to the extent it calls for speculation.
11 You can answer, if you're able to.

12 A. A lot of those things we talked about as to what
13 we market, I mean, that's important, those things are
14 important to small carriers.

15 BY MR. KIRTNER:

16 Q. Okay. Cash flow issues are important to small
17 carriers, correct?

18 A. For the most part, correct.

19 Q. And working with C.H. Robinson because of Quick
20 Pay and T-Chek helps small carriers to keep the wheels
21 rolling; is that correct?

22 A. Correct.

23 Q. Do you have any sense of -- strike that.

24 Do you have any ability to break that down any more
25 narrowly? Specifically, what about carriers with less

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1 than 10 tractors, do you know what those numbers look
2 like?

3 A. I don't know.

4 Q. Could you estimate that?

5 A. I wouldn't want to without further research.

6 Q. Okay. Do you have the ability to research that?

7 A. Yes.

8 Q. Understanding that you don't know how many of the
9 carriers who are in C.H. Robinson's contract carrier
10 program have less than 10 tractors, would it be your
11 experience that carriers who have fewer than 10 tractors
12 are more frequently in need of the Quick Pay and T-Chek
13 services?

14 A. Yes.

15 Q. Do you know how many tractors AKJ Enterprises
16 had?

17 A. Not off the top of my head.

18 MR. KIRTNER: Can we get this document
19 marked as Exhibit 12?

20 (Ex. 12 was marked for identification.)

21 BY MR. KIRTNER:

22 Q. When we were here the last time, I think where we
23 left off is, you were beginning to talk something about
24 SafeStat and how C.H. Robinson is dealing with SafeStat.

25 A. Correct.